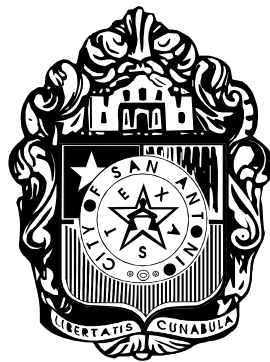


CITY OF SAN ANTONIO, TEXAS
Neighborhood Action Department



Sky Harbor
Tax Increment Reinvestment Zone Fourteen
FY 2005 Annual Report

**Participation Levels of City (100%), Bexar County (100%
of Operation and Maintenance portion of tax rate), and
ACCD (50%)**

December 31, 2005

Sky Harbor Development Tax Increment Reinvestment Zone – Plan of Finance

Introduction

The Sky Harbor Development is located in the west section of the City of San Antonio within the Lackland City Subdivision north of Echo Port Drive and east of Portside Drive. The development is in the Southwest Independent School District and encompasses 48.829 acres as per the Bexar County Appraisal District records. The 2002 base value is \$341,000 and the projected captured tax incremental value is \$9,751,160. The project is to be completed in two (2) phases and includes 151 single-family homes with sales prices ranging between \$66,900 to \$72,900. The total public infrastructure capital cost for Phase I was funded by a \$250,000 CDBG grant. The total public infrastructure capital cost for Phase II is estimated at \$489,750. The Developer is HLH Development L.P who has experience in the development and construction of such projects. Performance and payment bonds will be provided in connection with public infrastructure improvements associated with the project. The life of the Tax Increment Reinvestment Zone (TIRZ) is projected to be 15.31 years with the TIRZ being in existence through fiscal year 2017.

Public Infrastructure

The public infrastructure improvements and related capital costs include site work, streets, drainage, streetlights, engineering and formation expenses, sidewalks, construction management, park fee, drainage study and right of way landscaping. The capital cost is estimated at \$489,750.

Plan of Finance

The 2002 base value of the TIRZ is \$341,000. Projected captured values that would be taxed to produce revenues to pay for the capital costs of the public infrastructure improvements commences in tax year 2003 with collections commencing in tax year 2004 (fiscal year 2005). Captured value changes from \$9,810,700 in tax years 2004 to \$9,751,160 in tax year 2016.

The taxing jurisdictions and tax rate per \$100 valuation utilized in the analysis include: City of San Antonio at \$0.578540; Bexar County at \$0.287407 and the Alamo Community College District at \$0.053525. This produces annual revenues of \$83,525 fiscal year 2006 and \$84,918 fiscal years 2007 through 2017. No growth in tax rate or values is assumed.

The cost of the public infrastructure improvements is incurred by the Developer and paid over time from revenues produced by the TIRZ. In addition to the capital costs, other costs to be paid from TIRZ revenues include the City of San Antonio and/or Administrator fees. Revenues derived from the TIRZ will be used to pay costs in the

following order of priority of payment: (i.) to the payment of eligible costs incurred by the Governmental Entities Participating in the TIRZ; (ii.) to all other ongoing administrative fees pertaining to the City; and (iii.) to the Developer, on an annual basis, as TIRZ revenues are available for such payments.

The Developer's capital cost incurred for public infrastructure improvements is \$489,750. Revenues from the TIRZ are used to pay this amount plus financing costs if any on the unpaid balance at a rate of 5.48%. It is projected that the Developer would not receive any payments until fiscal year 2006. Any negative carry by the Developer would add additional interest to be paid to the Developer at an interest rate of 5.48%.

The TIRZ collections for this project shall not extend beyond September 30, 2017, and may be terminated earlier once each taxing entity has deposited its respective amount described in the table below.

TABLE – TIRZ Contributions		
Participating Taxing Entities	Maximum Dollar Contribution*	Max. Length of Contribution
City of San Antonio	\$ 718,684.79	September 30, 2017
Bexar County	\$ 349,608.40	September 30, 2017
Alamo Comm. College District	\$ 34,027.36	September 30, 2017
Maximum Reimbursable Amt.	\$1,102,320.55	

* Maximum Dollar Contributions are base on Original Finance Plan dated November 9, 2005.

Limited Obligation of the City or Participating Governmental Entities

The City and Participating Governmental Entities shall have a limited obligation to impose, collect taxes, and deposit such tax receipts into a TIRZ fund so long as the project is viable and capital costs incurred by the Developer have not been fully paid. The TIRZ collections for this project shall not extend beyond September 30, 2017, and may be terminated prior to September 30, 2017, upon payment of public improvements capital costs incurred by the Developer totaling \$489,750 or for the failure of the Developer to perform, or for any other reason deemed statutorily appropriate by the City and the Participating Governmental Entities.

Any costs incurred by the Developer are not and shall never in any event become general obligations or debt of the City or any of the Participating Governmental Entities. The public improvement infrastructure costs incurred by the Developer shall be paid solely from the TIRZ revenues and shall never constitute a debt, indebtedness or a pledge of the faith and credit or taxing power of the State, the City, the Participating Governmental Entities, any political corporation, subdivision, or agency of the State.

Developer's Risk

All financing, developmental costs, construction costs, improvements, damages, or other costs incurred with respect to this project are at the sole risk of the Developer. Neither the City nor any Participating Governmental Entity shall incur any risk whatsoever

associated with the development, construction, completion or failure of the project. In the event that the project fails, is abandoned by the Developer or for any reason is not completed, the City shall have the right to terminate the TIRZ and any funds remaining in the TIRZ account shall be distributed to the City and Participating Governmental Entities on a pro rata basis in accordance with each entity's participation level.

Compliance

The Developer shall comply with all federal, state and local laws, rules and regulations.

Reporting

The Developer shall submit a project status report and financial report at least annually to the City, Participating Governmental Entities and Administrator. The Developer shall also submit a project status report, financial report, or any other report as requested by the City, Participating Governmental Entities and Administrator, within thirty (30) working days of such request.

Inspection

The City, Participating Governmental Entities, or Administrator shall have the right to inspect the project site or sites and the premises of the Developer without notice.

City of San Antonio
Sky Harbor - TIF Reinvestment Zone
Summary Fact Sheet
November 22, 2005

Agenda: 1. Preliminary Finance Plan

Plan of Finance:	Site Area	48.829	Acres
	Single Family Development	48.829	Acres

Base Value (2002) In City	\$	341,000
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*Average Single Family Home Price Per Home	\$	68,900	Price Range: \$66,900 - \$72,900
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Project Year:			
Single Family Development	2003	<u>151</u>	Single Family Homes
Total		<u><u>151</u></u>	

Experience of Housing Developer
HLH Development LP,
San Antonio, Texas

HLH Development LP was formed over 4 years ago.
Harry Hausman is the prinicipal operations officer of the partnership.
SEDA Consulting Engineers, Inc. are the architect/engineers.
HLH Development LP and SEDA Consulting Engineers, Inc. have completed the following projects:

- La Coste Heights, 51 Lots, La Coste, 1997 and 1998
- Legend Oaks, 40 Lots, Northwest Bexar County, 1999
- Hunters Lake, 132 Lots, Medina County, 2000
- Hunters Oaks, 15 Lots, Medina County, 2000

Current subdivisions under construction are:

- Hunters Forest, 50 Lots, Southern Bexar County
- Hunters Pond, 167 Lots, Bexar County
- Hunters Cove, 151 Lots, Southwest San Antonio
- Plaza Fortuna, 76 Lots, West San Antonio

Performance Bonds:	See Development Agreement
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Payment Bonds:	See Development Agreement
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Assumptions:	Captured Value	\$	9,751,160	
	Assessed Value Growth Factor		0.00%	
	Collection Rate		97.50%	
	Estimated Total TIF Revenues	\$	1,017,623	
	Estimated TIF Life (6/13/2002 to 9/30/2017)		15.31	Years

*Average single family home price provided by the Developer

Sky Harbor - Tax Increment Reinvestment Zone

Sources and Uses

Sources of Funds

TIF Revenues	\$ 1,017,623
Developer Contribution	\$ -
Total Sources of Funds	\$ 1,017,623

Uses of Funds

	Phase I *	Phase II	Total
	2002	2003	Infrastructure Improvements
Begin Construction			
Single Family	0	151	151
Public Improvements			
Hard Cost			
Site Work	\$ -	\$ -	\$ -
Streets & Approaches	\$ -	\$ 319,383	\$ 319,383
Drainage	\$ -	\$ -	\$ -
Sewer	\$ -	\$ -	\$ -
Water	\$ -	\$ -	\$ -
Sidewalks	\$ -	\$ 89,000	\$ 89,000
Street Lights	\$ -	\$ -	\$ -
ROW Landscaping	\$ -	\$ -	\$ -
Park Fee	\$ -	\$ 10,205	\$ 10,205
Drainage Study	\$ -	\$ 7,000	\$ 7,000
Sewer Impact Fees	\$ -	\$ -	\$ -
Water Impact Fees	\$ -	\$ -	\$ -
Platting/Zoning Fees	\$ -	\$ 2,760	\$ 2,760
Electricity	\$ -	\$ -	\$ -
Formation Expense	\$ -	\$ 10,000	\$ 10,000
Hard Cost Total	\$ -	\$ 438,348	\$ 438,348
Soft Cost			
Engineering-Surveying	\$ -	\$ -	\$ -
Contingency	7% \$ -	\$ 34,268	\$ 34,268
Construction Management	3% \$ -	\$ 17,134	\$ 17,134
Site Security	\$ -	\$ -	\$ -
Soft Cost Total	\$ -	\$ 51,402	\$ 51,402
 Total Public Improvements	 \$ -	 \$ 489,750	 \$ 489,750
 Grand Total	 \$ -	 \$ 489,750	 \$ 489,750
 Total Infrastructure	 \$ 489,750		
 Financing Cost @ 5.48%	 \$ 287,136		
 Total Payments to Sky Harbor	 \$ 776,886		
 Total Admin. Expenses	 \$ 198,000		
 Grand Total	 \$ 974,886		
 Project Financing Surplus (Shortage)	 \$ 42,737		

* Phase I was funded by a \$250,000 CDBG grant.

Sky Harbor - TIF Reinvestment Zone

Projected Tax Increment Revenue

Tax Year	Tax Increment Zone				City of San Antonio**			Bexar County**			Alamo Community College District**			Combined TIF Collections****	Fiscal Year Ending
	Beginning Assessed Value	Annual Value of New Development	Projected Year-End Assessed Value	Projected Captured Value	Captured Taxable Value**	Tax Rate Contribution	Tax Increments	Captured Taxable Value**	Tax Rate Contribution*	Tax Increments	Captured Taxable Value**	Tax Rate Contribution	Tax Increments***		
2002	341,000	-	341,000	-	-	0.578540	-	-	0.317571	-	-	0.107100	-	-	2003
2003	341,000	9,810,700	10,151,700	-	-	0.578540	-	-	0.320952	-	-	0.107050	-	-	2004
2004	10,151,700	-	10,151,700	9,810,700	9,680,700	0.578540	-	9,642,300	0.281519	-	9,750,700	0.053525	-	-	2005
2005	10,151,700	(59,540)	10,092,160	9,810,700	9,571,160	0.578540	53,989	9,631,160	0.287407	26,989	9,671,160	0.053525	2,547	83,525	2006
2006	10,092,160	-	10,092,160	9,751,160	9,751,160	0.578540	55,004	9,751,160	0.287407	27,325	9,751,160	0.053525	2,589	84,918	2007
2007	10,092,160	-	10,092,160	9,751,160	9,751,160	0.578540	55,004	9,751,160	0.287407	27,325	9,751,160	0.053525	2,589	84,918	2008
2008	10,092,160	-	10,092,160	9,751,160	9,751,160	0.578540	55,004	9,751,160	0.287407	27,325	9,751,160	0.053525	2,589	84,918	2009
2009	10,092,160	-	10,092,160	9,751,160	9,751,160	0.578540	55,004	9,751,160	0.287407	27,325	9,751,160	0.053525	2,589	84,918	2010
2010	10,092,160	-	10,092,160	9,751,160	9,751,160	0.578540	55,004	9,751,160	0.287407	27,325	9,751,160	0.053525	2,589	84,918	2011
2011	10,092,160	-	10,092,160	9,751,160	9,751,160	0.578540	55,004	9,751,160	0.287407	27,325	9,751,160	0.053525	2,589	84,918	2012
2012	10,092,160	-	10,092,160	9,751,160	9,751,160	0.578540	55,004	9,751,160	0.287407	27,325	9,751,160	0.053525	2,589	84,918	2013
2013	10,092,160	-	10,092,160	9,751,160	9,751,160	0.578540	55,004	9,751,160	0.287407	27,325	9,751,160	0.053525	2,589	84,918	2014
2014	10,092,160	-	10,092,160	9,751,160	9,751,160	0.578540	55,004	9,751,160	0.287407	27,325	9,751,160	0.053525	2,589	84,918	2015
2015	10,092,160	-	10,092,160	9,751,160	9,751,160	0.578540	55,004	9,751,160	0.287407	27,325	9,751,160	0.053525	2,589	84,918	2016
2016	10,092,160	-	10,092,160	9,751,160	9,751,160	0.578540	55,004	9,751,160	0.287407	27,325	9,751,160	0.053525	2,589	84,918	2017
2017						0.578540			0.287407			0.053525			2018
2018						0.578540			0.287407			0.053525			2019
\$ 9,751,160					\$ 659,033			\$ 327,564			\$ 31,026			\$ 1,017,623	
Existing Annual Value Growth Factors					Participation Level			Participation Level*			Participation Level				
Years 2001-2002					0.00%			100%			50%				
Thereafter					0.00%			0.00%			0.00%				
Combined Compound Growth Rate					0.00%			97.50%			97.50%				
Tax Rate Growth Factor					0.00%			0.00%			0.00%				
Tax Rate Collection Factor					97.50%			97.50%			97.50%				

Notes:

* Bexar County is participating at 100% of their Operation and Maintenance tax rate not the total tax rate

** Captured Taxable Value for each Participating Taxing Entities differ due to the exemption by each Taxing Entities.

*** ACCD is withholding \$2,500 per year for Administrative Expenses.

**** Revenue projections are subject to fluctuate annually with future tax rates.

Sky Harbor - TIF Reinvestment Zone
Reimbursement for Public Improvements

	Fiscal Year Ending	TIF Revenue	Cumulative TIF Revenues	Expenses for Pub. Imp. Infrastructure	Admin. Exp.*	Interest on Deficit	TIF Fund Balance
1-Sep-03	2003	-	-	12,799	30,000	-	(42,799)
1-Sep-04	2004	-	-	25,597	12,000	(2,345)	(82,741)
1-Sep-05	2005	-	-	25,597	12,000	(4,534)	(124,872)
1-Sep-06	2006	83,525	83,525	59,197	12,000	(6,843)	(119,387)
1-Sep-07	2007	84,918	168,443	62,756	12,000	(6,542)	(115,768)
1-Sep-08	2008	84,918	253,361	60,619	12,000	(6,344)	(109,812)
1-Sep-09	2009	84,918	338,279	58,481	12,000	(6,018)	(101,393)
1-Sep-10	2010	84,918	423,197	56,344	12,000	(5,556)	(90,376)
1-Sep-11	2011	84,918	508,115	54,207	12,000	(4,953)	(76,618)
1-Sep-12	2012	84,918	593,033	52,070	12,000	(4,199)	(59,968)
1-Sep-13	2013	84,918	677,951	49,933	12,000	(3,286)	(40,269)
1-Sep-14	2014	84,918	762,869	47,795	12,000	(2,207)	(17,353)
1-Sep-15	2015	84,918	847,787	45,658	12,000	(951)	8,956
1-Sep-16	2016	84,918	932,705	43,521	12,000	-	38,353
1-Sep-17	2017	84,918	1,017,623	45,884	12,000	-	65,387
1-Sep-18	2018	-	-	-	-	-	-
1-Sep-19	2019	-	-	-	-	-	-
		\$ 1,017,623		\$ 700,458	\$ 198,000	\$ (53,778)	

* Annual Administrative Expenses from FY 2004 - FY 2017 includes a \$2,000 annual administrative expense for Bexar County

Sky Harbor - TIF Reinvestment Zone Combined Participation

Entity	Tax Rate	Level of Participation	Tax Rate Based on Participation	% of Project	TIF Revenues*	TIF Expenses**
San Antonio	0.5785400	100%	0.578540	62.92%	\$ 659,033	\$ 613,407
Bexar County	0.2874070	100%	0.287407	31.26%	\$ 327,564	\$ 304,728
Alamo Community College District ***	0.1070500	50%	0.053525	5.82%	\$ 31,026	\$ 56,751
Total	0.9729970		0.919472	100.00%	\$ 1,017,623	\$ 974,886

* TIF Revenues are the projected revenue amount collected by each taxing entity through the term of the zone.

** TIF Expenses are allocated by the share of the TIRZ project cost projected for each taxing entity based on participation levels.

***Alamo Community College District TIF Revenues reflect the withholding of Administrative Expenses on page 7 of the Finance Plan.

Sky Harbor - TIF Reinvestment Zone
Projected New Value of Tax Increment

Tax Year	2001	Phase I 2002	Phase II 2003	2004	2005	Total	Cumulative Total	Fiscal Year
2002						\$ -	\$ -	2003
2003			\$ 9,810,700			\$ 9,810,700	\$ 9,810,700	2004
2004						\$ -	\$ 9,810,700	2005
2005					\$ (59,540)	\$ (59,540)	\$ 9,751,160	2006
2006						\$ -	\$ 9,751,160	2007
2007						\$ -	\$ 9,751,160	2008
2008						\$ -	\$ 9,751,160	2009
2009						\$ -	\$ 9,751,160	2010
2010						\$ -	\$ 9,751,160	2011
2011						\$ -	\$ 9,751,160	2012
2012						\$ -	\$ 9,751,160	2013
2013						\$ -	\$ 9,751,160	2014
2014						\$ -	\$ 9,751,160	2015
2015						\$ -	\$ 9,751,160	2016
2016						\$ -	\$ 9,751,160	2017
2017						\$ -	\$ 9,751,160	2018
2018						\$ -	\$ 9,751,160	2019
<hr/>								
	\$ -	\$ -	\$ 9,810,700	\$ -	\$ (59,540)	\$ 9,751,160		

\$ - Commercial New Value
\$ 9,751,160 Residential New Value
\$ - Multi Family New Value
\$ 9,751,160 Total New Value

Sky Harbor - TIF Reinvestment Zone

**Projected Uses of Tax Increment
Construction Completed Cost**

Tax Year	Phase I 2003	Phase II 2004	2005	2006	Total
2000					\$ -
2001					\$ -
2002					\$ -
2003		\$ 489,750			\$ 489,750
2004					\$ -
2005					\$ -
2006					\$ -
2007					\$ -
2008					\$ -
2009					\$ -
2010					\$ -
2011					\$ -
2012					\$ -
2013					\$ -
2014					\$ -
2015					\$ -
2016					\$ -
2017					\$ -
2018					\$ -
	\$ -	\$ 489,750	\$ -	\$ -	\$ 489,750

Sky Harbor - TIF Reinvestment Zone

Projected Tax Increment Revenue

Principal and Interest Requirements					
Date	Principal	Interest Rate	Interest	Semi-annual Debt Service	Annual Debt Service
03/01/03	-		-	-	
09/01/03	-	5.48%	12,799	12,799	12,799
03/01/04	-		12,799	12,799	
09/01/04	-	5.48%	12,799	12,799	25,597
03/01/05	-		12,799	12,799	
09/01/05	-	5.48%	12,799	12,799	25,597
03/01/06	-		12,799	12,799	
09/01/06	33,600	5.48%	12,799	46,399	59,197
03/01/07	-		11,878	11,878	
09/01/07	39,000	5.48%	11,878	50,878	62,756
03/01/08	-		10,809	10,809	
09/01/08	39,000	5.48%	10,809	49,809	60,619
03/01/09	-		9,741	9,741	
09/01/09	39,000	5.48%	9,741	48,741	58,481
03/01/10	-		8,672	8,672	
09/01/10	39,000	5.48%	8,672	47,672	56,344
03/01/11	-		7,604	7,604	
09/01/11	39,000	5.48%	7,604	46,604	54,207
03/01/12	-		6,535	6,535	
09/01/12	39,000	5.48%	6,535	45,535	52,070
03/01/13	-		5,466	5,466	
09/01/13	39,000	5.48%	5,466	44,466	49,933
03/01/14	-		4,398	4,398	
09/01/14	39,000	5.48%	4,398	43,398	47,795
03/01/15	-		3,329	3,329	
09/01/15	39,000	5.48%	3,329	42,329	45,658
03/01/16	-		2,261	2,261	
09/01/16	39,000	5.48%	2,261	41,261	43,521
03/01/17	-		1,192	1,192	
09/01/17	43,500	5.48%	1,192	44,692	45,884
<u>\$ 467,100</u>			<u>\$ 233,358</u>	<u>\$ 700,458</u>	<u>\$ 700,458</u>